57th Congress, 1st Session. HOUSE OF REPRESENTATIVES. Report No. 2738.

# ASSAY OFFICE AT BAKER CITY, OREG.

June 30, 1902.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. Southard, from the Committee on Coinage, Weights, and Measures, submitted the following

## REPORT.

[To accompany H. R. 2004.]

The Committee on Coinage, Weights, and Measures, to whom was referred the bill (H. R. 2004) to establish an assay office at Baker City, Oreg., having had the same under consideration, beg leave to report it back to the House with the recommendation that it do pass.

From figures presented to your committee, compiled by the officers of the Government charged with the duty, it was shown that during the year ending December 31, 1900, the production of gold and silver in the State of Oregon amounted to $1,898,613.17. It was also admitted by the officers aforesaid that this report did not show the total production of the State, and that it was exceedingly conservative. The production for the current year ending December 31, 1902, and for the year ending December 31, 1901, will show that the production of the State will be considerably in excess of $2,000,000 for each year. The production of gold alone in the State of Oregon since the first discovery of that metal in 1861 to the year 1899 has amounted to, in round numbers, $110,000,000. A table is appended hereto, showing the total production of gold and silver in the State from 1877 to 1899, as well as the annual output during that period.

A State having so large a production of gold and silver is entitled to have an assay office in its borders, so located as to be of the greatest benefit to the individual miner, mining companies, and the mining districts. This is particularly true where there is so large a percentage of the metal found (as is the case in Oregon) that is placer gold and free-milling ore of both gold and silver, which finds its way quickly to an assay office without the intervention of smelters or other reduction works.

Your committee was unable to secure reliable data as to the output of gold and silver in the different counties of Oregon for the year 1900, for the reason that the Government reports do not furnish the production of the State by counties for that year. For the calendar

year of 1899, however, the counties in eastern Oregon immediately tributary to Baker City produced the following amounts in values of gold and silver:

| County. | Amount. |
|---|---|
| Baker | $637,766.12 |
| Grant | 303,680.53 |
| Malheur | 11,612.51 |
| Union | 133,678.22 |
| Wallowa | 4,188.67 |
| Crook and Wheeler, estimated | 30,000.00 |
| Total | 1,120,926.05 |

The following table shows the amount of bullion deposited in assay offices from the mines in eastern Oregon:

| Assay office. | Amount. |
|---|---|
| Boise City, Idaho | $730,816.76 |
| Denver, Col | 1,245.06 |
| Helena, Mont | 20,515.94 |
| Seattle, Wash | 3,618.03 |
| Total | 756,195.79 |

As shown above, the total production of eastern Oregon in gold and silver in 1899 was $1,120,926.05, and the total production of the State for the same year was $1,655,310.32, leaving $534,390.27, or less than one-third, for the production of western Oregon. In regard to the methods pursued by the Government in securing information as to the output of gold and silver of the various States attention is invited to a letter from the Director of the Mint under date of February 15, 1902, hereto appended and made a part of this report.

Baker City, Oreg., has a population of 7,500 and is a rapidly growing and thriving city, now third in the State in importance. It is reached from the East over the Union Pacific, Oregon Short Line, and Oregon Railroad and Navigation Company railways. It is the distributing point for 10,000 square miles of mining, agricultural, and stock-raising country.

In addition to the transportation lines mentioned, the Sumpter Valley Railroad extends westward from Baker City into the great mining and lumbering sections of the Blue Mountains, and plans are on foot to extend it 100 miles farther during the present season into the rich territory of Grant and Harney counties. An organization has recently been effected and a company capitalized for $2,500,000 for the building of another road from Baker City into the copper districts lying to the east and north, penetrating the free-gold region and terminating near Ballards Landing, on Snake River. This will open up a country teeming with all the precious metals, particularly gold and silver and copper. Stage lines now run from Baker City and connect with the flourishing mining camps in the surrounding districts. Baker City, so important both as a mining and a commercial center, has no public buildings for any purpose, and your committee have no doubt but that the building provided for in this bill may be so constructed as to serve the double purpose of a building for an assay office and a post-office, thus realizing a saving to the Government in rent for post-office purposes.

Baker City is near the geographical center of a territory 100 miles square highly charged with the choicest elements of mineral wealth, and particularly of gold and silver. In his report to the Interior Department, for the Geographical Survey in 1892, Prof. Waldemar Lindgren has the following to say of the mining district of which Baker City is the center:

> As to this district, I have not the slightest doubt that values will continue in depth to a point to which no modern mechanical appliance can operate a mine with profit. In other words, there is practically no limit to the values here. I believe this district has a future second to no mining camp in America. It has a splendid climate, and wood and water are here in inexhaustible quantities. It is reached by railroad and has no hardships compared with those in other camps.

Baker City is the most central point to which this great mining district is tributary. Portland is situated 350 miles away and the distances to other important commercial centers are even greater.

Enough has been said to show beyond controversy that Baker City is the ideal location for an assay office within the State of Oregon. It is easy of access and in the very midst of one of the largest gold-producing districts in the country, which produces so large a share of gold and silver bullion ready for deposit at an assay office.

A quotation from a letter of the Director of the Mint addressed to a member of Congress will illustrate the point last mentioned very clearly:

> The gold production of the Black Hills is in the neighborhood of $6,000,000 per annum, but the deposits at the assay office at Deadwood have never reached $400,000 in a year. The gold production of the State of Nevada in 1900 was over $2,000,000, but the deposits at the assay office in Carson City was only about $250,000.

It is clear that the reason for the small deposits in the offices referred to arises from the fact that the gold and silver found in the districts mentioned is not placer or free milling, but must be sent to a smelter, which makes its charges and sends its product directly to the mints. As was shown in the table above, nearly $800,000 of the gold and silver production of eastern Oregon was deposited at assay offices. This amount deposited at Baker City would make it at once one of the most important offices of the kind in the county, and is reason sufficient for its location there.

A small proportion of the present production of eastern Oregon of gold and silver is not free milling, but must be sent to reduction works at different localities. This amount will increase, no doubt, and in fact is rapidly increasing, so that arrangements have been completed for the erection of a smelter at Sumpter, some 50 miles from Baker City, as will be seen from an article clipped from the Sumpter Miner and appended hereto and made a part of this report.

The erection of this smelter would but add to the importance of the Baker City assay office, for the reason that the bullion from this smelter, when in operation, would find its natural resting place there. In and around Baker City, and directly tributary to it, are more than 8,000 developing mines and prospects, and the great production of gold and silver which has been characteristic of the past bids fair to be doubled in a very short time. The district has the advantage of being a steady producer, as well as a growing one, and the need of an assay office is apparent, and by the passage of this bill the office will be located where it will be of the greatest benefit to the greatest number of those directly interested.

### *Production of gold and silver in Oregon from 1877 to 1899.*

[From the reports of the Director of the Mint on the production of the precious metals.]

| Year. | Gold. | Silver (coinage value). | Total. |
|---|---|---|---|
| 1877 | $1,000,000 | $100,000 | $1,100,000 |
| 1878 | 1,000,000 | 100,000 | 1,100,000 |
| 1879 | 1,150,000 | 20,000 | 1,170,000 |
| 1880 | 1,090,000 | 15,000 | 1,105,000 |
| 1881 | 1,100,000 | 50,000 | 1,150,000 |
| 1882 | 830,000 | 35,000 | 865,000 |
| 1883 | 660,000 | 3,000 | 663,000 |
| 1884 | 660,000 | 20,000 | 680,000 |
| 1885 | 800,000 | 10,000 | 810,000 |
| 1886 | 990,000 | 5,000 | 995,000 |
| 1887 | 900,000 | 10,000 | 910,000 |
| 1888 | 825,000 | 15,000 | 840,000 |
| 1889 | 1,200,000 | 38,787 | 1,238,787 |
| 1890 | 1,087,000 | 129,199 | [a]1,216,199 |
| 1891 | 1,994,622 | 296,280 | 2,290,902 |
| 1892 | 1,491,781 | 64,080 | 1,555,861 |
| 1893 | 1,690,951 | 13,557 | 1,704,508 |
| 1894 | 2,113,356 | 10,315 | 2,123,671 |
| 1895 | 1,837,682 | 15,192 | 1,852,874 |
| 1896 | 1,290,964 | 71,811 | 1,362,775 |
| 1897 | 1,354,593 | 109,643 | 1,464,236 |
| 1898 | 1,216,669 | 165,916 | 1,382,585 |
| 1899 | 1,467,379 | 187,932 | 1,655,311 |
| Total | 27,749,997 | 1,685,712 | 29,435,709 |

[a] Census reports: Gold, $964,000; silver, $23,383; total, $987,383.

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TREASURY DEPARTMENT, BUREAU OF THE MINT,
*Washington, February 15, 1902.*

DEAR SIR: Responding to your inquiry of to-day, I forward you herewith an unbound copy of the report of this Bureau upon the production of the precious metals in the United States for the calendar year 1900. The edition is in the bindery, but will be ready for distribution about the 20th. You will find on pages 173–178 the report of our representative, Mr. Wing, upon the yield of Oregon. He has furnished a general review of the several mining districts, but failed to tabulate the production by counties. I send also the bound reports for the years 1898 and 1899, in which the yield is given by counties.

The method of arriving at these estimates is for the Bureau's representative to first visit the mining districts and obtain all the information he can from the producer, learning particularly where they dispose of their bullion. Experience has demonstrated that it will not do to depend for the figures of the yield upon the reports of mine owners, but by interviewing them it is possible to trace the bullion to reduction works where it is prepared for market. We make up the final figures for the yield of the State upon the reports furnished by the smelters, refiners, and other reduction works which treat the State's product. These are checked again by the receipts at the mints and assay offices. The Bureau receives returns from all the important reduction works in the country.

Very truly, yours,

GEO. E. ROBERTS,
*Director of the Mint.*

Hon. M. A. MOODY, *House of Representatives.*

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## AS TO THE BUILDING OF A SMELTER AT SUMPTER, OREG.

[Clipped from the Sumpter Miner, June 12, 1902.]

Word was received here Monday by Professor Eberman from Dr. Mueller, now in Baltimore, to begin work at once getting out stone and burning brick for the smelter.

Last week the final payment was made to J. W. Baun for the site, consisting of 160 acres of land adjoining town on the south.

These two facts indicate very clearly that the efforts of the gentlemen who are promoting this most important and beneficial of all enterprises in eastern Oregon have been crowned with success and that before the close of the present year our ores can be treated here at home without giving all that the smelters leave to the transportation companies.

The new brickyard is on ground owned by the smelter people and paid for as stated above. Work will be commenced in a few days building the first kiln, which will contain 1,000,000 bricks. The stone for the foundations—granite—will be quarried near where the smelter is located, and this work also will be started at an early date.

The Miner is informed that Dr. Mueller and his associates have experienced little or no difficulty in raising all the money necessary for the proposition; that as a matter of fact all the stock offered for sale has been oversubscribed, and the difficulty now confronting them is to make a satisfactory allotment. Capitalists of Iowa, Milwaukee, and Baltimore have become interested in the company.

Already contracts have been secured for a daily supply of ore sufficient to tax the capacity of a 100-ton smelter, and so rapid is development work being pushed throughout the district that the management now has under consideration the problem of whether or not it would be wise to double the capacity from the start. So far as the automatic sampling plant is concerned, this has already been decided, and it will be capable of handling 400 tons a day instead of 100, as was at first proposed. The sampler will be erected first so that ore can be purchased and a large stock accumulated by the time the smelter is ready to treat it, not later than January 1, 1903.

There has been an unaccountable reluctance on the part of mine owners in contributing ore to the bonus asked for, and the 300 tons have not yet been subscribed. On its own authority the Miner suggests that mine owners will find it a profitable investment to get their names on this list of those who have aided the great industry by donating a small quantity of ore. Though it is generally conceded that a corporation has no soul, it is nevertheless true that the management is endowed with human attributes and nothing can be lost by such an evidence of good will.

Messrs. Mueller and Eberman have a banquet "coming" to them from this town.

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